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McGreevey & Business

He's Got the Governor's Economic Agenda in His Hands

| By William T. Quinn

Adam Pechter aims to deliver big results with Prosperity New Jersey's small resources

Adam Pechter works on the fault line where policy goals meet economic realities in New Jersey. As CEO of Prosperity New Jersey, his task is to use the levers of state government and all the help he can cajole from the private sector to promote economic growth throughout the state and particularly in sought-after sectors like life sciences and technology.

With a budget 70% smaller than his predecessor's, Pechter, a 32-year-old lawyer who has spent nearly all his working life as an aide to James E. McGreevey, has his work cut out for him.

If Pechter wins bragging rights for the state by pulling in more life-sciences and high-tech companies, he will have played a key role in advancing the governor's economic agenda. If he fails, the Republicans will have a ready-made issue for the next gubernatorial campaign.

To succeed, Pechter needs support from the state's business community at a time

when many of its members are still smarting over the \$1 billion increase in corporation business taxes McGreevey pushed through last summer to help close the state budget deficit.

Pechter, who was a policy aide to McGreevey when he was mayor of Woodbridge, is widely believed to have Congressional ambitions of his own. He hopes to calm the waters with a series of visits next year to each of the state's 21 counties. There he will hold public meetings with business leaders, students and educators to discuss the economic issues facing the state.

Pechter says much of the private-sector grouching about the McGreevey administration will fade if Prosperity New Jersey can deliver tangible gains for a state which has lost thousands of high-paying jobs to the meltdown in telecom and the mergers among big pharmaceutical companies.

"I think if we successfully marry our educational infrastructure with our business infrastructure and create jobs and keep our revenue base growing, that image will take care of itself," Pechter says. "If we show results—business is results oriented—that's what we're going to be measured by."

For the time being, leaders of the state's major business organizations—several of



Pechter hopes a series of county meetings will help smooth relations with business.

whom were tossed from Prosperity's board in a shakeup early this year—are taking a wait-and-see attitude to the new approach.

Along with most of its budget, Prosperity New Jersey has lost most of its autonomy. McGreevey has tightly welded the agency, which was launched in the mid-1990s as a private-public partnership, to the state's Commerce and Economic Growth Commission, where Pechter serves as the No. 2 official under Commerce Secretary William D. Watley.

That alone has raised eyebrows in the state's business community, which had been used to seeing the organization function with more autonomy under the Whitman administration.

However, Pechter says the old Prosperity was spending most of its \$5 million annual budget on the agency's "Innovation Garden State" advertising campaign with uncertain results. He says the state just wasn't getting enough bang for the \$2.5 million bucks it was kicking in each year. Nor does Pechter appear to have much enthusiasm for a new branding campaign.

Pechter is intent on implementing the McGreevey economic development program's short but sharply defined agenda. It calls for building on the state's strength in pharmaceuticals, developing "career academies" to align worker training with business needs and focusing economic development efforts on the state's urban centers.

In the past, says Rebecca Perkins, who served briefly as Prosperity New Jersey's chief operating officer before leaving in March, "there has been a perception that the governor was not that supportive of Prosperity. That's certainly not the case as it started out and as it's going now. It's part of the governor's plans."

Perkins says Pechter "has set a very intense pace. He has the governor's ear and is very attuned to what the governor wants to do with Prosperity."

Pechter is optimistic about his ability to achieve his goals with a staff of three and an annual budget of \$550,000, down from \$2.55 million a year ago.

"It's a great message to send to the business community that we're doing our best to save money and run it more like a business," he says.

One thing he has been doing and plans to do more of is turning to power centers outside of state government to carry more of the load of economic development. When Prosperity's board of trustees was reshuffled, Pechter and Watley scored a coup by snaring Princeton University President Shirley Tilghman to serve as one of the group's three co-chairs.

Princeton had mostly stayed above the fray when it came to economic development issues in New Jersey, so Tilghman's stepping forward marked a sea change.

PECHTER AT A GLANCE

Age: 32

Position: CEO of Prosperity New Jersey and Chief Operating Officer of the New Jersey Commerce and Economic Growth Commission

Career: Aide to Mayor James E. McGreevey, Woodbridge Township, 1998-2001; Policy Director, McGreevey for Governor campaign, 2001

Education: B.A., Political Science, Yale University, 1993; J.D., Vanderbilt University Law School, 1997

Family: Married to Lauren Tombacher, one daughter

"Princeton is a phenomenal economic engine and it's never really been viewed that way by the state or by the leadership there," says Pechter. "It's another thing, like our pharmaceutical resource, like Bell Labs, that helps make New Jersey unique," he says.

Tilghman, a molecular biologist, is now involved, along with co-chair Bill Weldon, the CEO of Johnson & Johnson, in a \$250,000 study of the competitiveness of the state's life-sciences industries being conducted by Michael Porter, a Harvard Business School professor.

Prosperity New Jersey put up \$50,000 toward the project and Pechter hopes to present action recommendations from it at a forum to be held at Princeton in February. He also wants similar studies for other sectors of the state economy.

Meanwhile, Pechter is devoting much of his time to recruiting corporate support for the governor's career academies initiative. It aims to interest students in technical and health careers that don't always require a four-year degree or post-graduate training.

So far, high schools in Morristown, Trenton, Englewood and Cherry Hill have linked up with Pfizer, PSE&G, Verizon and Commerce Bank as academic sponsors. The programs encourage students to think about careers in health care, engineering and finance.

The goal, says Pechter, "is to move New

Jersey toward becoming the premier employee-supply state in the country, where companies can find employees at all levels, from M.D./PhDs to scientists, to lab technicians, to engineers, to nurses and teachers."

Mike Klavon, who directs the career academies program for the State Department of Education, says the aim is to give students more educational options and not to force them down any particular road.

"One of the things you don't want to have happen is you don't want to have the business control the school district, but at the same time business does have an interest in philanthropy for a lot of reasons," Klavon says. "I have yet to see a drawback."

Pechter's other duties include working as a member of McGreevey's Smart Growth task force, an interagency group which tries to cut through red tape for economic development projects in urban areas and target transportation dollars to help them. The overall goal, he says, "is to channel private investment into urban areas, regardless of market conditions."

"I can't really decide what businesses are going to do well or not," Pechter says. "The best thing the state can do is get New Jersey in a position to take advantage of its strengths and let the market do its work." He can be certain the private sector will be watching him intently. ■

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